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REVIEWS

The Practical Results of Workingmen's Insurance in Germany.

By FERDINAND FRIEDENSBURG. Translated from the German by LOUIS H. GRAY. New York, The Workmen's Compensation Service and Information Bureau, 1911.—62 pp.

Habent sua fata libelli. Truly remarkable is the fate of this little pamphlet, which, exclusive of various prefaces and introductions, consists of only 48 pages. A criticism of numerous details of organization and administration of a German institution as yet little known in the United States except for its general purpose, formulated by an ex-president of the Senate in the Imperial Insurance office, it has created almost a sensation in this country, serving as a weapon for many who oppose the movement for social legislation and intimidating some of those who would further it. When the whole civilized world is following in the footsteps of Germany in developing social insurance—witness the French Pension Act of 1910, the English Insurance Act of 1911—it takes a good deal of courage to find so many faults in the prototype of all this modern legislation as Dr. Friedensburg has discovered and reveals.

Notwithstanding the author's repeated assertions of sympathy with the general purpose of social insurance, there is very little left of the structure after he has completed his criticism. The reviewer tried to make a list of the specific charges made by the author, but was amazed to find that there were no less than fifty such charges, covering all aspects of national insurance in Germany—social, economic, political, financial, ethical, administrative, judicial, medical, industrial and commercial. A few of the most important specifications are all that it is possible here to notice. According to the author: (1) workingmen's insurance has imposed upon German industry an enormous financial burden, interfering with Germany's position in the international market; (2) the methods of administration are cumbrous and the cost is excessive; (3) "social sympathy, humanitarianism or whatever other feelings these unhallowed catchwords cover" have been substituted for legal justice, both in courts and administrative bodies, thus demoralizing the German nation; (4) an enormous amount of malingering, exaggeration, wilful aggravation and even self-infliction of injuries has developed; (5) the workmen have been taught the love of litigation; (6) they have

been pampered by excessive generosity in grants of pensions and by excessive luxury in hospitals, in food, drink, medical care and nursing ; (7) the original aim of social insurance, reconciliation of classes, has failed, and the general unrest has only been aggravated ; (8) the Social Democrats have a very bad influence, especially in the management of the sick-benefit funds, often conducting anti-governmental agitation in the committees ; (9) the tendency of many employers to pay the workmen's share of old-age pension dues is declared to be a vicious one ; and (10) alarm is expressed concerning future extensions of the system.

It is obviously impossible in a brief review to analyze all these charges, let alone meeting them. The reviewer strongly suspects, however, that the devil is not as black as the ex-president has painted him. Dr. Friedensburg has doubtless enjoyed an exceptional opportunity to learn the inner workings of social insurance in Germany, but it may be questioned whether he has made the best use of his opportunity. His repeated attacks on the Social Democrats and on the workingmen in general ; his tender solicitude for the fate of the employers' associations, "the only institution that stood the test" ; his sweeping statements regarding injury to German industry—all indicate lack of impartial judgment. Admit that social insurance costs Germany some 2,000,000 marks a day, or 730,000,000 marks (\$180,000,000) a year. The American workmen spend annually over \$70,000,000 for industrial insurance, which practically amounts to funeral insurance only, and this country has not been ruined yet.

As to the administrative difficulties, a certain amount of malingering is not a peculiar characteristic of the German system ; the same complaints have been made in France, Italy and England. The prevention of malingering presents a distinct administrative problem, which is entirely independent of a general appreciation of the system. It is, however, a symptom of mental color-blindness to fail to perceive the normal because of familiarity with the abnormal. Nervous physicians and sensitive district attorneys sometimes get into that state of mind. If Dr. Friedensburg had even a partial knowledge of the deceit and perjury of injured plaintiffs, employers, witnesses and experts which liability litigation in this country develops, he would perhaps view the efforts of the German workmen to increase their small pittances of pensions in a slightly more charitable spirit. And it takes a good deal of credulity to accept his statement that wilful self-infliction of injuries, with subsequent opening of wounds *etc.* is a common occurrence in Germany. What is the object to be gained? A pension equal to two-thirds of the diminution of earning capacity ! The German workman, though he may

be a stolid sort of fellow, is presumably not altogether insensible to physical pain. Even in this country, with the possibility of \$5000 or \$10,000 verdicts, self-inflicted injuries are very rare indeed.

In support of his charges the author offers practically no evidence, except a few anecdotes; and these are of so extreme a type that they are about as helpful for an intelligent judgment as is the famous coal-in-the-bathtub story for the solution of the housing problem.

The pamphlet has been given wide publicity by some militant representatives of American liability insurance companies. Although antagonism to workmen's compensation is denied in the preface, it has expressed itself in the selection of this pamphlet for translation and distribution. To the reviewer the attitude of these persons seems unwise. Compensation has come to stay in this country, and a fight against it will only discredit the insurance companies. Besides there is no necessity for such antagonism. From an insurance point of view a compensation system can be better handled than the existing liability system. Compensation permits a careful actuarial computation of cost, while liability insurance is largely a gambling proposition. And the casualty people know that the recent rapid increase in the losses on employers' liability business, felt by all insurance companies, was the result of liability verdicts and not of compensation awards.

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The Steel Workers. By JOHN A. FITCH. New York, Charities Publication Committee, 1910.—xiii, 380 pp.

Homestead: The Households of a Mill Town. By MARGARET F. BYINGTON. New York, Charities Publication Committee, 1910.—xv, 292 pp.

These books belong to the series of six volumes containing the "findings" of the Pittsburgh Survey. The undertaking has aroused general interest and the facts brought out have already received wide attention; but the thoroughness of the investigation and the wealth of material presented give to the published form of the final reports a degree of permanency not usual among such works.

In *The Steel Workers* the author has presented a body of facts of unusual importance. The volume opens with a description of the men as steel and iron workers, describing in untechnical language the processes of work and the methods and conditions of labor, keeping